

City of High Point

*Municipal Office Building
211 South Hamilton Street
High Point, NC 27261*



Meeting Minutes

Thursday, July 9, 2009

9:00:00 AM

Council Chambers, City Hall

*Rebecca R. Smothers, Mayor
William S. Bencini, Mayor Pro Tem
Latimer B. Alexander, IV, Mary Lou Blakeney,
Foster Douglas, John Faircloth, Michael D. Pugh,
Bernita Sims, M. Christopher Whitley*

ROLL CALL, PRAYER, AND PLEDGE OF ALLEGIANCE

Prior to adjournment, Council Member Pugh asked to be excused.

Council Member Bencini moved to excuse Council Member Pugh from the meeting, seconded by Council Member Sims and carried unanimously.

Note: Council Member Pugh's absence during the discussion and action on the matters appearing on the Agenda will be reflected in the minutes accordingly.

Present: Mayor Smothers, Council Member Bencini, Council Member Alexander, Council Member Blakeney, Council Member Douglas, Council Member Faircloth, Council Member Pugh, Council Member Sims and Council Member Whitley

APPROVAL OF THE JOURNAL OF THE PREVIOUS MEETING

The minutes of the following meeting were unanimously approved as submitted upon motion by Council Member

REGULAR MEETING ITEMS**FINANCE COMMITTEE - Council Member Whitley, Chair**

Members: Bencini, Douglas and Alexander

(all were present)

Contract - Bid No. 58 - Pad Mount Switches**090166**

Approval of contract awarding Bid No. 58 for the purchase of 15kV Pad Mount Switches to replenish the warehouse stock. Purchase and the Electric Department recommends that contract be awarded to Trayer Engineering in the amount of \$213,750 for the lowest responsible and responsive bidder meeting specifications.

Council Member Alexander made an inquiry as to why only one vendor out of seven responded. Garey Edwards, Director of Electric Utilities replied that most of the bidders that were sent bid packets chose not to bid because they knew their bid prices would be higher. Staff did call the other vendors after the bids were opened and they just didn't bid. Council Member Faircloth expressed concerns that the city seems to be running into several situations where the city is not getting many bids, yet the economy is bad and it was hard to realize that companies don't want the business.

Approved contract awarding the bid to Trayer Engineering in the amount of \$213,750 which is the lowest responsible and responsive bidder meeting specifications.

A motion was made by Council Member Whitley, seconded by Mayor Pro Tem Bencini, that this matter be approved. The motion carried unanimously.

Change Order - Crest Construction Services, Inc. - Deep River Park**090167**

Council is requested to approve contract change order in the amount of \$191,262.00 to the Crest Construction Services contract for the Deep River Recreation Center.

since this was somewhat of a duplicate of the Allen Jay facility. Pat Pate, Assistant City Manager, explained that basically a lot of these were small change orders from things that we learned from the Allen Jay facility construction that would make the Deep River facility work a little better. He pointed out the biggest expense in the change order was the resurfacing of the parking lot at \$90,000. Chairman Whitley also questioned the timing of the two bids (Allen Jay and Deep River). Mr. Pate explained that both bids were put out close enough (Allen Jay wasn't completed before the Deep River bid) so some of these changes were actually done after the fact instead of being put in the original bid.

Chairman Whitley also expressed concerns about the relocation of the control panel thermostat and asked if this couldn't have been anticipated before it was put in. Mr. Pate noted that although the architect/engineer designed it for this location, it was later determined that it would work better in another location. Chairman Whitley questioned the 42-day delay for the building permits and who was actually responsible for obtaining the permits. According to staff, the delay had nothing to do with the Inspections Department, but was held up in the review of the project plans by the Department of Insurance. Mr. Pate explained that staff felt the review process would go rather quickly since the project was very similar to the Allen Jay project, but the review actually took longer than anticipated and it resulted in about a 60-day delay.

Mr. Pate explained that Tim McKinney, Director of Building Maintenance, could offer a better explanation as to the delay, but was on vacation this week. He suggested that until staff could provide additional information, Council could possibly go ahead and exclude the change order for PCO#22 and approve the remaining change orders; the exclusion of the PCO#22 would bring the total to \$172,243.

Council Member Faircloth asked for an explanation of who is responsible for delays because it appears to him that the city would be paying the contractor a greater sum than is in the project. Mr. Pate explained that although there was no weather delays in the contract, but it was for additional time spent on the project because they weren't able to complete the project within the agreed upon time frame (in essence, the city would be paying for their time). Council Member Faircloth hoped that staff would take a closer look at future contracts so this doesn't happen again. Council Member Sims expressed concerns that the delay was due to the Department of Insurance and felt the city should not be responsible for paying the \$19,000.

The Mayor asked if there were any further questions regarding the change order. There being none, Chairman Whitley commented that he would make a motion to approve this, but asked the staff to evaluate any future bids by Crest Construction because he felt they were excessive on some of the change orders and it was possible that they underbid in order to get the job.

Approved contract change order in the amount of \$191,262.00 to the Crest Construction Services contract for the Deep River Recreation Center.

A motion was made by Council Member Whitley, seconded by Mayor Smothers, that this matter be approved. Council Member Whitley moved to approve Change Order #1 in the amount of \$191,262.00 to the Crest Construction Services, Inc. contract for the construction of the Deep River Recreation Center. Mayor Smothers made a second to the motion which carried by a 5-3 vote as follows: The motion carried by the following vote:

Votes: Aye: Mayor Smothers, Council Member Blakeney, Council Member Faircloth, Council Member Sims and Council Member Whitley
Nay: Council Member Bencini, Council Member Alexander and Council Member Douglas
Absent: Council Member Pugh

Resolution - NCDOT - High Point Greenway Trail

090169

Adoption of a resolution for enhancement funding from NCDOT for preliminary engineering of a High Point Greenway Trail beginning at the entrance to University Park off Deep River Road and ending at the entrance to the Piedmont Environmental Center off Penny Road.

Chairman Whitley asked staff if they had any idea what the cost for the project would be. Mark McDonald, Director of Transportation, explained that the city would have to secure professional services from an outside consultant to get more exact numbers on the cost for the project, but felt the project could be done within the \$120,000 dollars provided for it. He explained this would be to do the environmental study to cross the river in order to better define the route for the greenway trail while minimizing the environmental impact.

Adopted the resolution (as modified) for enhancement funding from NCDOT for preliminary engineering of a High Point Greenway Trail beginning at the entrance to University Park off Deep River Road and ending at the entrance to the Piedmont Environmental Center off Penny Road.

A motion was made by Council Member Alexander, seconded by Council Member Faircloth, that this matter be adopted. The motion carried by the following vote:

Votes: Aye: Mayor Smothers, Council Member Bencini, Council Member Alexander, Council Member Blakeney, Council Member Douglas, Council Member Faircloth, Council Member Pugh and Council Member Sims
Nay: Council Member Whitley

Neighborhood Stabilization Program Contract

090171

Council is requested to authorize the Mayor to execute the Neighborhood Stabilization Program Contract in the amount of \$5,250,000 as part of the Housing and Economic recovery Act of 2008.

Mike McNair, Director of Community Development & Housing, presented information on the Neighborhood Stabilization Program (NSP). The NSP is designed to assist communities in the redevelopment of abandoned and foreclosed homes. The city competitively applied for \$5,250,000 and was awarded \$2.625 million (application received the 6th highest score in the state).

The hand-out prepared by staff for the Neighborhood Stabilization Program (NSP) containing information on the purpose of the program; income guidelines for the program; identification- areas of greatest need (as defined by state statute); planned program activities; guidelines for assistance for first time homebuyers; guidelines for assistance- rental properties; guidelines for property acquisition will be attached to Legistar as a permanent part of these proceedings.

Council Members made the following inquiries:

1. How would the program be monitored due to the high turnovers with rentals and what would it affect the number of rental units currently on the market?

Staff explained on the real estate side investors/owners would be encouraged to acquire foreclosed properties for rental property, but they would have to make it available to 50% median income or below. Staff pointed out that the rules for the program are still being written and anticipate clearer guidelines in the near future.

2. Would participation in the program preclude a renter from purchasing a home (if incomes increase)?

Mr. McNair replied that it could, but there may be issues associated with the purchase of a home.

3. If the idea of the program is to stabilize neighborhoods, then why would the program only be for rental property? Will property owners be able to apply for funds for repair of property?

Staff explained that the Secretary of the Division of Community Assistance was big on rental of single family homes.

4. Questions/concerns surrounding the limitations for the purchase price and the length of time it would take to pay for it with such low incomes.

Mr. McNair explained that this was a statutory cap and they would have to stay within the federal guidelines. Council Member Sims commented that if the program works as designed, it will improve some of the neighborhoods particularly in the Core where there are significant issues. She expressed concerns regarding the amount of time on the staff as far as adherence to the guidelines and noted it would be intensive. Mr. McNair explained that staff's goal is to try to build on existing network/programs (i.e. down payment assistance program, real estate community, banker community) and would be looking at the potential of 60-70 units a year.

5. Has staff identified any property for acquisition?

Staff replied that they have looked around and has had some informal conversations with Habitat, High Point Housing Authority (Clara Cox), Unity Builders, etc....

6. Number of rental units available on the private market (lengthy list).

Council Member Alexander felt assistance was needed to help more citizens pay their rent by providing better jobs and it wasn't necessarily the capacity of the market. Mr. McNair pointed out the repairs will be made by local contractors and this should help benefit the economy.

7. Is it allowable for administrative costs to come out of the grant.

Staff noted they do have an administrative budget, but they were uncertain as to what they could do with it.

8. Is there a provision in this grant for individuals who currently own property to apply for funds to fix up what they already own?

Mr. McNair explained it would have to be in foreclosure. Council Member Sims felt it were possibly through the neighborhood stabilization piece of the program to provide assistance to property owners, it would probably help them in being able to rent those properties. The Mayor agreed with Council Member Sims' point and noted most of the properties that are unoccupied were in unstable neighborhoods and can't be rented.

At this time, Chairman Whitley stated he would entertain a motion because he would not support this program because it sounds like an attempt by HUD and the government to continue the same policy of attempting to make sure that every single individual in this country own a piece of property and to him it's just throwing money away and the government should not be involved.

Council Member Sims moved to approve the NHSP contract as presented by staff and as included in the agenda. Council Member Douglas made a second to the motion.

For further discussion, Council Member Faircloth asked if there was some latitude in administering the program. Mr. McNair explained staff would be meeting with realtors in the future to get their feedback and there would be some flexibility as far as some of the steps, but they would have to adhere to the federal guidelines. Council Member Faircloth noted his concerns were similar to those of Council Member Whitley, but he also sees the possibilities of serving folks with real need of upgrading their homes although there appear to be some loop holes in the program. He noted if it was possible that there would be some leeway as far as control in the program, then he could support it, but if it's just another giveaway he could not. The Mayor felt this was an opportunity the Council should take to address the numbers of foreclosures and pre foreclosures. Council Member Faircloth expressed concerns with the implementation of the program and felt there should be more flexibility to work through the problems.

The Mayor asked staff to keep Council updated after their meeting with the realtors regarding any modifications to the program and a summary of the reaction by the community. The Mayor asked if there would be any financial exposure to the city regarding this program. Mr. McNair explained that the Division of Community

Assistance would have to approve every individual who benefits from the program.

There being no further discussion, the Mayor called for a vote on the motion to approve the Neighborhood Stabilization Program contract as presented by staff and as included in the agenda. The motion carried by a 7-2 vote as follows:

Approved the Neighborhood Stabilization Program Contract in the amount of \$2,625,000 as part of the Housing and Economic Recovery Act of 2008 and authorized the Mayor to execute the contract.

A motion was made by Council Member Sims, seconded by Member Douglas, that this matter be approved. The motion carried by the following vote:

Votes: Aye: Mayor Smothers, Council Member Alexander, Council Member Blakeney, Council Member Douglas, Council Member Faircloth, Council Member Pugh and Council Member Sims
Nay: Council Member Bencini and Council Member Whitley

PUBLIC SAFETY COMMITTEE - Council Member Faircloth, Chair

Members: Faircloth, Douglas, Pugh and Alexander

(all were present)

Ordinance - Vacate/Close Dwelling - 501-D Meredith Street

090170

Council is requested to adopt an ordinance ordering the housing inspector to effectuate the vacating and closing of a dwelling located at 501-D Meredith Street belonging to Schmarz Properties, Inc.

Chairman Faircloth asked staff to provide Council with an report regarding this property.

Katherine Bossi, Local Codes Enforcement Supervisor, explained that this was brought about as a result of a complaint by the tenant who was concerned about the condition of the unit that she rented. Staff did an initial inspection on February 26, 2009 and due to the number of violations, a determination was made that the unit was substandard and issued an order to repair or vacate. The property owner has now installed smoke detectors and there are several other minor repairs that need to be done. The big ticket item is the installation of a heat source. Ms. Bossi explained that the property owner did install a gas wall heater in February of 2006, but in February 2007 the code was changed prohibiting these types of heaters as a primary heat source. Staff is requesting Council adopt an ordinance to vacate and Ms. Bossi informed Council that they have referred the three tenants to the Community Development Department for the possibility of some relocation assistance. Mayor Smothers asked staff if this would prevent the property owner from re-renting any of the units without heat. Ms. Bossi replied that until a heat source is properly installed, staff would put a hold on the utilities so this would prohibit it from being occupied until it is brought up to code.

Adopted Ordinance ordering the housing inspector to effectuate the vacating and closing of a dwelling located at 501-D Meredith Street belonging to Schmarz

Properties, Inc.

Ordinance No. 6630/09-30

Introduced 07/09/09

Adopted 07/09/09

Ordinance Book Volume XVI, Page 114

A motion was made by Council Member Faircloth, seconded by Council Member Blakeney, that this matter be adopted. The motion carried unanimously.

PUBLIC SERVICES COMMITTEE - Council Member Sims, Chair

Members: Blakeney, Faircloth, Whitley and Alexander

(all were present)

PLANNING & DEVELOPMENT COMMITTEE - Council Member Bencini, Chair

Members: Blakeney, Pugh, Sims and Faircloth

(all were present)

Historic Preservation Commission Member Attendance

090168

A request for City Council to consider the re-instatement of Peary Coughenour as a full voting member of the Historic Preservation Commission.

Staff reported that Peary Coughenour on the Historic Preservation Commission has missed three consecutive regular meetings in March, May and June of this year and since these absences were not excused absences, staff was requesting Council to reinstate Mr. Coughenour as a full voting member of the Historic Preservation Commission.

Approved the re-instatement of Peary Coughenour as a full voting member of the Historic Preservation Commission.

A motion was made by Mayor Pro Tem Bencini, seconded by Council Member Sims, that this matter be approved. The motion carried by the following vote:

Votes: Aye: Mayor Smothers, Council Member Bencini, Council Member Alexander, Council Member Blakeney, Council Member Douglas, Council Member Faircloth and Council Member Sims
Nay: Council Member Whitley
Absent: Council Member Pugh

PUBLIC COMMENT PERIOD

There were no citizens present to address Council.

PUBLIC HEARINGS - No Public Hearing Scheduled

For Information Only:

Mayor Smothers recognized Guilford County Commissioner Steve Arnold who was in the audience.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 9:50 a.m. upon motion duly made and seconded.

Respectfully Submitted,

Rebecca R. Smothers, Mayor

Attest:

Lisa B. Vierling, MMC
City Clerk